

10 May 2024

Re Management Discussion and Analysis for the first quarter of year 2024
Attn. The President
The Stock Exchange of Thailand (SET)

R&B Food Supply Public Company Limited and its subsidiaries would like to clarify the financial performance and financial information for the first quarter of year 2024 with the following details:

Revenue Structure

Group revenue structure derived from the business of manufacture and distribution of raw materials used as Food Ingredients by dividing into 6 types:

- 1.1 Flavour, Fragrance & Color
- 1.2 Food Coating
- 1.3 Dry
- 1.4 Frozen
- 1.5 Packaging (Plastic)
- 1.6 Trading goods

Analysis of Financial Performance

Profit or Loss (In Million Baht)	Three month period (January - March)		Change	
	2024	2023	Amount	%
Revenue from sales and rendering services	1,166.51	1,055.79	110.71	10.49%
Cost of goods sold and rendering services	(731.78)	(674.29)	57.49	8.53%
Gross profit	434.73	381.50	53.23	13.95%
Gain (loss) on exchange rate	20.79	(11.33)	32.12	283.41%
Other income	2.01	1.51	0.50	33.41%
Selling expenses	(98.80)	(63.74)	35.06	55.01%
Administrative expenses	(150.25)	(130.09)	20.16	15.49%
Reversal of (loss from) net impairment losses on financial assets	2.05	(0.46)	2.51	540.63%
Finance costs	(2.82)	(2.34)	0.48	20.68%
Share of profit of joint ventures accounted for using the equity method	1.20	0.96	0.23	24.23%
Profit before income tax expense	208.91	176.01	32.89	18.69%
Income tax expense	(37.29)	(28.98)	8.31	28.66%
Profit for the period	171.62	147.03	24.59	16.72%
Profit (loss) attributable to:				
Non-controlling interests	(0.17)	0.29	(0.46)	-156.68%
Owners of the parent	171.78	146.74	25.05	17.07%

Revenues from Sales and Services in the First Quarter of Year 2024

In the first quarter of year 2024, the Group had revenues from sales and services of Baht 1,166.51 million, which increased by Baht 110.71 million or YoY 10.49%, when compared with the same period of year 2023, which had revenues from sales and services of Baht 1,055.79 million.

The main reasons for the increase in revenues from sales amounting to Baht 110.71 million are as follows:

- 1) The source of the revenues
 - From domestic sales, increased by Baht 108.71 million (YoY 13.94%)
 - From export sales, increased by Baht 2.01 million (YoY 0.73%)
- 2) Product groups
 - From Food Coating Group, increased by Baht 60.43 million (YoY 11.99%)
 - From Flavour, Fragrance & Color Group, increased by Baht 31.28 million (YoY 8.64%)
 - From Trading goods Group, increased by Baht 10.47 million (YoY 10.15%)
 - From Frozen Group, increased by Baht 8.43 million (YoY 47.93%)
- 3) Customer groups
 - From sales of Industrial Customers, amounting to Baht 67.20 million (YoY 7.82%)
 - From sales of Large Retail Business Customers, amounting to Baht 29.12 million (YoY 33.09%)
 - From sales of General Retail Business Customers, amounting to Baht 14.39 million (YoY 13.29%)

The increase in domestic sales amounting to Baht 108.71 million, mainly resulted from industrial customer of Flavour, Fragrance & Color group amounting to Baht 42.05 million, large retail business customer of Food Coating group amounting to Baht 29.41 million, industrial customer of Trading goods group amounting to Baht 14.15 million, general retail business customers of Food Coating group amounting to Baht 10.44 million and industrial customer of Frozen group amounting to Baht 8.43 million.

The increase in export sales amounting to Baht 2.01 million, mainly resulted from industrial customer of Food Coating group.

Gross Profit for the First Quarter of Year 2024

Three months period (January - March)			Change	YoY
(In Million Baht)	2024	2023		
Gross profit	434.73	381.50	53.23	13.95%
Proportion to revenue from sales and rendering services	37.27%	36.13%		

The expansion of both domestic and international markets made the Group’s gross profit for the first quarter of year 2024 increased by Baht 53.23 million, mainly from the gross profit of Food Coating group.

The increase in average gross profit margin was mainly because an increase in gross profit margin of Food Coating group, which resulted from the decrease in the price of wheat flour in the world market decreased.

Cash Flow Statements

Statement of cash flows as of 31 March 2024 were as follows:

- 1) Net cash flows provided by operating activities of Baht 210.20 million.
- 2) Net cash flows used in investing activities of Baht 163.92 million, mainly due to cash paid for purchase of property, plant and equipment of Baht 163.72 million.
- 3) Net cash flows used in financing activities of Baht 8.42 million, due to cash paid for the principal under lease agreements.
- 4) Cash and cash equivalents as of 31 March 2024 amounting to Baht 965.29 million and as at 31 December 2023 amounting to Baht 920.03 million.

Financial Ratios as at 31 March 2024

Compared with Financial Ratios as of 31 December 2023

1) Liquidity Ratios

The liquidity ratio as of 31 March 2024 was at 4.91 times, increased when compared with the liquidity ratio as of 31 December 2023, which was averaged at 4.83 times due to increase in current assets in cash and cash equivalents.

Financial Ratios	Three months period ended 31 March 2024	For the year ended 31 December 2023
<u>Liquidity Ratio</u>		
Current Ratio (Time)	4.91	4.83
Quick Ratio (time)	3.10	2.95
Average Collection Period (Day)	82	83
Average Sale Period (Day)	147	159
Average Payment Period (Day)	46	49
Cash Cycle (Day)	183	193

2) Profitability Ratios

2.1 The gross profit margin as of 31 March 2024 was 37.27%, which was higher than gross profit margin as of 31 March 2023, which was 36.13%. The increase in average gross margin was mainly because an increase in gross profit margin of Food Coating group, which resulted from the decrease in the price of wheat flour in the world market decreased.

2.2 The return on equity as of 31 March 2024 was 14.12%, which was stable from the return on equity as of 31 December 2023, which was 14.12%.

